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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 48-83

WASHINGTON, Nov. 30--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

AUSTRALIA continues to market its record 1983 wheat crop successfully. The Australians recently sold 1.5 million tons of wheat to the USSR for shipment in the first half of 1984. Australian wheat exports to the USSR have ranged from 1 million tons from last season's drought-reduced crop to nearly 3 million tons in December-November 1979/80. Additional sales this season are possible. Negotiations are continuing on a Australian-USSR Grain agreement.

ARGENTINA has begun to market its expected near-record wheat crop aggressively. Recent sales include 115,000 tons to Brazil and 500,000 tons to Iran. In the late 1970s, Argentina exported as much as 1 million-1.4 million tons of wheat to Brazil; however, no sales had been made since 1981/82. Iran, on the other hand, became a major buyer of Argentine grain in 1982/83, with wheat sales alone totaling over 800,000 tons. Reports indicate that Argentine wheat has been very favorably priced, and prices may fall further with the harvest just beginning.

DAIRY, LIVESTOCK AND POULTRY

Livestock production on state and collective farms in the SOVIET UNION continues to exceed that of 1982 and may reach a record high in 1983. For the period January-October 1983, total meat production is reported to be 6 percent above the 1982 level and substantially larger than the previous high in 1979. Contributing to this increase are new highs for pork and poultry meat, each up around 10 percent. Beef and mutton also are up, but by a smaller 4 percent. With more plentiful forage supplies, cumulative milk output is 7 percent above 1982. Egg production also continues upward, 5 percent above the previous year.

Livestock numbers continue to increase on state and collective farms, with all classes, except sheep and goats, reflecting the highest inventories since 1979. The increases in cattle and hog herds continue to exceed growth levels of the past five years by a wide margin. On November 1, cattle numbers were 93.1 million head, 2.1 million above 1982. Cow numbers remained at 29.7 million, the same as in 1981 and 1982. Hog numbers were reported at 60.8 million, 3.8 percent larger than in 1982.

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Sheep and goats were reported at 120.2 million head, about 2 percent above last year's level. Poultry numbers totaled 728.5 million, or 2 percent above 1982. With improved grain and forage crops, growth in both livestock numbers and productivity likely will continue.

Milk production in the 37 SELECTED COUNTRIES reviewed is currently estimated to exceed 406 million tons in 1983, more than 3 percent above 1982. Increased productivity is responsible for much of the increase. Cow numbers were up only one half of one percent. With fluid milk usage relatively stable, production of dairy products is increasing rather sharply. Butter and nonfat dry milk (NDM) are showing the largest increases. Forecasts for 1984 indicate a 1 to 2 percent increase in milk production while cow numbers increase another one half of one percent.

The increase in 1983 milk production, currently estimated at over 13 million tons, is due largely to a significant improvement in the feed supply situation in the USSR, continuing increases in cow numbers and production per cow in the European Community (EC), and increased productivity in most other major producers. In the USSR, cow numbers remained stable while the milk production increase should total 6 percent over 1982. With good forage supplies on hand in the USSR, increases in cow numbers and milk production are likely in 1984.

Despite dairy product surpluses, cow numbers and milk production in the EC continue to increase. Milk cow numbers are up nearly 2 percent and milk production is estimated to increase 3.7 percent in 1983. While feed prices have increased, feed/milk price relationships are still sufficiently favorable to keep milk output increasing in 1984. Productivity gains may be slower during the winter months because of some reduction in forage supplies as a result of the hot and dry summer this year.

Cow Numbers and Milk Production in Selected Regions 1/

Country	-----Cow Numbers-----			-----Milk Production-----		
	1982	1983	1984	1982	1983	1984
	----1,000 Head----			---Million Tons---		
United States	11,026	11,050	10,800	61.6	62.7	62.5
EC-10	25,135	25,600	25,725	108.2	112.2	113.9
Japan	1,082	1,096	1,095	6.8	6.9	7.0
USSR	43,700	43,800	44,000	91.0	96.8	99.0
Australia	1,810	1,795	1,805	5.3	5.7	5.9
New Zealand	1,976	2,005	2,020	6.8	6.8	6.8
Total of 37 countries	159,832	160,775	161,515	393.2	406.5	411.5

1/ 1982--preliminary; 1983--estimated; 1984--forecast.

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Favorable weather conditions during spring and early summer in most of Eastern Europe enabled a turnaround in that region's milk production. Poland had the sharpest production upturn and was able to stop rationing butter during the summer months; however, butter rationing was recently reinstated due to the seasonal decline in milk production.

Milk production in the United States is expected to exceed 62 million tons in 1983, nearly 2 percent above 1982. With higher feed costs and lower expected real returns, U.S. production is not expected to expand in 1984. Canadian production is down 2 percent in 1983 as producers react to cuts in the industrial milk quota.

Australian milk output in 1983 was up sharply due to increased feeding of concentrates and supplemental feeds which more than offset the negative impact of the drought. In 1984, milk production is expected to expand 3.5 percent due to improved pasture conditions and readily available supplies of supplemental feeds. Limited export prospects for butter and cheese appear to be limiting milk production growth in New Zealand.

Butter production expanded nearly 8 percent during 1983 with major increases in both the EC and USSR. Production in the USSR is up 10 percent as efforts are made to meet the expectations of Soviet consumers. In the EC, butter production is up 11 percent as government support prices for butter are more favorable than market prices for cheese. Another increase is forecast for butter production in both regions in 1984.

Production of Dairy Products in Selected Regions 1/
(1,000 Tons)

Country	-----Butter-----			-----Cheese-----			--Nonfat Dry Milk--		
	1982	1983	1984	1982	1983	1984	1982	1983	1984
United States	570	605	590	2,059	2,165	2,250	635	692	662
EC-10	2,056	2,274	2,361	3,550	3,573	3,641	2,149	2,463	2,538
Japan	64	70	70	17	20	22	131	140	140
USSR	1,403	1,550	1,625	699	740	760	386	400	410
Australia	76	86	89	148	159	160	82	92	99
New Zealand	248	254	260	111	114	94	194	167	170
Total of 37 countries	6,392	6,895	7,047	8,820	8,970	9,150	4,503	4,930	5,005

1/ 1982--preliminary; 1983--estimated; 1984--forecast.

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Cheese production is estimated to increase about 150,000 tons (nearly 2 percent) in 1983 with most of the increase due to larger U.S. production. Production in the USSR increased about 40,000 tons (6 percent) due to greater availability of milk for processing. Following a moderate production increase in 1983, New Zealand's 1984 production may decline sharply due to large carry-in stocks as a result of slow export sales.

Nonfat dry milk production in 1983 is estimated at 4.9 million tons, 9 percent above 1982. Approximately three-fourths of the increase is in the EC, where production is up nearly 15 percent. With slower growth in milk output and expanded cheese production, the increase in EC production of NDM in 1984 should moderate to around 3 percent. Production in New Zealand declined sharply in 1983 as efforts were made to dispose of burdensome stocks of NDM.

Casein production in 1983 is estimated at 226,000 tons, 20 percent above 1982. New Zealand's 40-percent increase from 1981's depressed level accounts for about half of the aggregate increase. Significant increases are being contributed by France and Poland.

COTTON AND FIBERS

NICARAGUA's 1983/84 cotton crop is forecast at 390,000 bales, approximately 9 percent above last year's output of 358,000 bales, according to the U.S. agricultural attache in Guatemala. The area is estimated at 117,000 hectares, 30 percent above last year's level. Much of the increase in area is due to the government's cotton incentive program and insistence that certain areas be devoted to cotton production.

TURKEY has increased the export tax on Cukurova cotton by nearly 20 percent. Turkish 1983/84 cotton export taxes had originally been set at 45 cents per kilogram for Aegean type and 26 cents per kilogram for Cukurovan cotton to encourage use of higher quality Aegean cotton in domestic mill use and allow exports of Cukurova cotton. The new tax rate is expected to make Turkish cotton less competitive and may delay or restrain Turkish cotton exports.

PAKISTAN has announced a ban on new cotton export contracts until ample stocks to meet domestic requirements are assured. Pakistani cotton production was severely damaged by rain and insect infestation. The U.S. agricultural attache in Islamabad reports production may not reach the current USDA estimate of 3.1 million bales. Pakistani 1983-84 exports are currently forecast at 600,000 bales.

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TOBACCO

Reports from the SOVIET UNION indicate imports of unmanufactured tobacco continue to rise. The current estimate for 1983 is 135,000 tons, compared with 124,122 tons in 1982 and 104,735 tons in 1981. The forecast for 1984 is given at 140,000 tons. India and Bulgaria are the major suppliers, providing 38 percent and 32 percent, respectively, of the total tobacco imports in 1982. Other suppliers were Greece, North Korea, Turkey and Yugoslavia.

The Soviet Union also continues to import large amounts of cigarettes, although quantities have declined since the peak of 1981. Bulgaria supplies about three-fourths of total Soviet cigarette imports. In 1982, a total of 66.5 billion pieces were imported, a decline of 10 percent from 1981. A further decline to 60.0 billion pieces is currently estimated for 1983.

Cigarette output in 1983 is likely to exceed the plan target of 373 billion pieces with the current estimate at 380 billion. Cigarette production for 1984 is projected at 385 billion pieces. Revised estimates for 1982 and 1981 are 359 billion and 365 billion, respectively.

In HUNGARY, the tobacco manufacturing industry is currently estimating 1983 cigarette production at 25.25 billion pieces, about 3 percent less than in 1982. Cigarette sales in 1983 are also estimated to decline by approximately 4 percent to 24.85 billion pieces from 1982. The decline is a continuing trend since 1981 caused by price increases and the government's campaign against smoking. It is estimated that cigarette production and consumption in 1984 are likely to stabilize at the 1983 level.

Hungary is both an importer and exporter of tobacco leaf and cigarettes. Leaf imports are predominantly of the oriental type and originate in Albania, Bulgaria, Greece and Turkey. Imports of 7,500 tons are estimated for 1983, compared with 7,060 tons in 1982. Exports are usually of the Virginia types destined primarily to Western Europe. The 1983 export estimate is 2,000 tons, about the same as in 1982. The 1983 cigarette imports are estimated at 900 million pieces, while exports are expected to reach 1.3 billion.

ITALY's tobacco leaf exports during January-July 1983 reportedly totaled 39,913 tons, or 18.5 percent less than in the corresponding period of last year. The current forecast for all of 1983 is 75,000 tons, a decline of nearly 23 percent from a record high of 96,904 tons reached in 1982. Tobacco imports during the same six months of 1983 were 19,986 tons or 7 percent below January-July 1982. Total 1983 tobacco imports are currently estimated at 30,000 tons, slightly below the 30,677 tons imported in 1982.

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FRUITS AND NUTS

Citrus production in selected countries of the NORTHERN HEMISPHERE for the 1983/84 season is forecast at 32.48 million tons, up 4 percent from last year's 31.14-million-ton harvest. Production by fruit type, with 1982/83 estimates in parentheses, are as follows (in million tons): sweet oranges 19.214 (18.707); tangerines 5.949 (5.676); lemons 2.788 (2.479); grapefruit 3.307 (3.059); and other citrus--including sour oranges and limes--1.225 (1.222).

In the United States, 1983/84 citrus production is forecast to be up 4 percent from last year and 16 percent above the freeze-reduced 1981/82 harvest. All orange production (including temples) is forecast at 8.921 million tons, up 2 percent from last year. The Florida orange crop is expected to be up sharply and the California crop down sharply. The grapefruit crop is forecast at 2.470 million tons, up 11 percent from last year, and the lemon crop at 923,000 tons, up 7 percent. A 355,000-ton tangerine crop (including tangos) is forecast for 1983/84, unchanged from 1982/83 output.

Mexico's total 1983/84 citrus production is expected to be 4 percent over last year's harvest. Orange production is forecast at 1.850 million tons, up 3 percent. In Cuba, with a continued expansion in citrus area, 1983/84 production is forecast at 615,000 tons, up 9 percent from last year's harvest.

In Japan, 1983/84 citrus production is expected to increase 4 percent from last year's harvest. Total tangerine production is forecast at 3.385 million tons, up 5 percent from last year. The government's production adjustment program has successfully reduced satsuma area. However, with existing groves still maturing, satsuma production is forecast at 3.0 million tons, up 5 percent from last year and still above the 2.7-million-ton level desired by the industry.

Spain's 1983/84 citrus crop is expected to be up 12 percent from last year's frost-reduced crop. Adequate irrigation water has saved the crop from a third consecutive drought year. Yields are expected to be up sharply and fruit quality, except for lemons, is expected to be as good or better than last year. Orange production is forecast at 1.835 million tons and tangerine production at 995,000 tons, up 11 and 8 percent, respectively, from last year's crops. With expanded lemon area, 1983/84 production is forecast at 517,000 tons, up 21 percent.

In Italy, a larger 1983/84 citrus crop is forecast with production expected to be up 21 percent over last year's drought-reduced harvest. Orange production is forecast at 1.750 million tons and lemon production at 800,000 tons, up 17 and 27 percent, respectively, from last year. The Greek 1983/84 citrus crop, on the other hand, is expected to be down 14 percent from last year. Orange production is expected to be off sharply and lemon production unchanged in 1983/84.

Turkey's 1983/84 citrus crop is expected to be down 9 percent from last year's harvest. Last winter's freezing weather damaged the 1982/83 crop and the yield potential for the 1983/84 crop. In Israel, citrus production is forecast down 7 percent from last year. Citrus area has been reduced, with 3,000 hectares of orchards uprooted in the summer of 1983. Orange and grapefruit output is expected to decline 7-8 percent, with 1983/84 production forecast at 816,000 and 400,000 tons, respectively.

In Morocco, a severe drought and strict water rationing have reduced prospects for the 1983/84 citrus crop. Total citrus production is now forecast down 6 percent from last year. Egypt's 1983/84 citrus crop is expected to be up 4 percent from last year's harvest.

Total citrus production in selected countries of the Northern Hemisphere is estimated, by country, as follows in 1,000 tons:

Country	Revised 1982/83 1/	Forecasted 1983/84 1/
United States	12,227	12,745
Mexico	2,600	2,700
Cuba	565	615
Japan	3,625	3,757
Spain	3,025	3,374
Italy	2,474	2,998
Greece	882	760
Turkey	1,132	1,034
Israel	1,452	1,360
Morocco	958	901
Egypt	1,425	1,480
Other 2/	778	759
Total selected Northern Hemisphere	31,143	32,483

1/ Crop year--October-September. 2/ Includes Cyprus, Lebanon and Gaza.

Selected International Prices

Item		Nov. 29, 1983		Change from previous week	A year ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:					
Canadian No. 1 CWRS-13.5%.	199.00	5.42	-1.00	207.50	
U.S. No. 2 DNS/NS: 14%...	185.00	5.03	0	182.00	
U.S. No. 2 S.R.W.11/.....	156.00	4.25	+4.00	158.00	
U.S. No. 3 H.A.D.12/.....	198.00	5.39	-2.00	177.50	
Canadian No. 1 A: Durum..	211.00	5.74	+5.00	204.00	
Feed grains:					
U.S. No. 3 Yellow Corn....	159.00	4.04	+2.00	118.50	
Soybeans and meal:					
U.S. No. 2 Yellow.....	310.00	8.44	+11.25	231.50	
Brazil 47/48% SoyaPellets 2/	281.00	--	+8.00	229.00	
U.S. 44% Soybean Meal.....	257.00	--	+6.00	219.00	
U.S. FARM PRICES 3/					
Wheat.....	124.19	3.38	-.37	131.18	
Barley.....	81.30	1.77	-8.73	66.14	
Corn.....	126.37	3.21	-1.18	92.12	
Sorghum.....	105.82	4.80 4/	-.66	92.37	
Broilers 5/.....	1329.81	--	+33.73	N.A.	
EC IMPORT LEVIES					
Wheat 6/.....	71.30	1.94	-4.30	89.35	
Barley.....	46.95	1.02	-2.25	95.25	
Corn.....	45.20	1.15	+4.30	94.65	
Sorghum.....	59.95	1.52	+2.95	87.60	
Broilers 7/.....	N.Q.	--	-- 8/	--	
EC INTERVENTION PRICES 10/					
Common wheat(feed quality)	167.10	4.55	-.70	175.95	
Bread wheat (min. quality)	183.10	4.98	-.75	194.10	
Barley and all					
other feed grains.....	167.10	--	-.70	175.95	
Broilers 9/.....	N.Q.	--	--	--	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat 10/.....	41.40	1.13	+1.00	61.70	
Barley.....	N.A.	--	--	70.70	
Broilers 7/.....	N.Q.	--	-- 10/	--	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine. 3/ Based on selected major markets and adjusted to reflect farm prices more closely. 4/ Hundredweight (CWT). 5/ Twelve-city average, wholesale weighted average. 6/ Durum has a special levy. 7/ EC category--70 percent whole chicken. 8/ Reflects lower EC export subsidy-down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 9/ F.o.b. price for R.T.C. broilers at West German border. 10/ Corrective amount in ECU's: Dec. zero, Jan. -3, Feb. -5, Mar. -6. 11/ January shipment. 12/ April/May shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis December delivery.

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